

LINDA LINGLE
GOVERNOR



CARLITO P. CALIBOSO
CHAIRMAN

WAYNE H. KIMURA
COMMISSIONER

JANET E. KAWELO
COMMISSIONER

STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

March 2, 2006

Michael H. Lau, Esq.
Moriyama Lau & Fong LLP
400 Davies Pacific Center
841 Bishop Street
Honolulu, Hawaii 96813

Craig I. Nakanishi, Esq.
Rush Moore LLP
737 Bishop Street, Suite 2400
Honolulu, Hawaii 96813

Bruce Nakamura, Esq.
Kenneth M. Nakasone, Esq.
Kobayashi Sugita & Goda
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813-4430

Kelly G. LaPorte, Esq.
Marc E. Rousseau, Esq.
Cades Schutte, LLP
1000 Bishop Street, 1200
Honolulu, Hawaii 96813

Re: Docket No. 05-0002: Presentations regarding confidential company data
responsive to PUC-IR-42 through PUC-IR-50

Dear Counsel:

On December 22, 2005, the Public Utilities Commission ("Commission") issued information requests ("IRs") regarding ethanol blending (PUC-IR-42 through PUC-IR-50) to the Parties in Docket No. 05-0002. On January 20, 2006, Chevron USA, through its counsel, proposed that Industry be given an opportunity to make presentations to the Commission on issues related to ethanol blending that could not readily be conveyed in the IR process. These presentations would be for the limited purpose of providing Industry with an opportunity to explain their individual approaches to the ethanol mandate issue in a confidential setting. The Commission agreed that it would permit these presentations so long as the following requirements were met: (1) that no objections were voiced by any of the Parties, and (2) that a protective order, if necessary, would be executed.

Michael H. Lau, Esq.
Craig I. Nakanishi, Esq.
Bruce Nakamura, Esq.
Kelly G. LaPorte, Esq.
March 2, 2006
Page 2

In accordance with the foregoing, all Parties were given ample notice about the proposed presentations and an opportunity to object to these presentations. To date, no Party has voiced any objections to the proposed presentations.

In addition, all Parties were given an equal opportunity to schedule a presentation. To date, the following Parties have requested the opportunity to make a presentation: Chevron USA, Tesoro Hawaii Corporation, and HMPA (Mid Pac Petroleum, LLC and Aloha Petroleum, Ltd.). It is the Commission's understanding that Shell Oil Company may be requesting the opportunity make a presentation on the ethanol mandate at a later time.

Therefore, based on the time allotments requested by each of the Parties, the following is the schedule of presentations:

Thursday, March 2, 1:00 - 1:45 p.m.: Mid Pac Petroleum, LLC
Thursday, March 2, 2:00 - 2:45 p.m.: Aloha Petroleum, Ltd.
Friday, March 3, 1:00 - 3:00 p.m.: Chevron USA
Friday, March 3, 3:00 - 4:30 p.m.: Tesoro Hawaii Corporation

The Commission has confirmed these presentation dates and times with each of the Parties. These presentations will be held in the Commission's hearing room, located at 465 South King Street, Kekuanaoa Building, basement level. There will be a projector and a white screen available for those Parties interested in using PowerPoint.

The Commission was asked to extend invitations to the Department of Business, Economic Development & Tourism (DBEDT) and the Commission's consultant, ICF Consulting. Therefore, the following individuals are currently scheduled to attend the presentations:

Commission:

Chairman Carlito Caliboso
Commissioner Janet Kawelo
Stacey Djou, Chief Counsel
Steven Iha, Chief Auditor
Lisa Kikuta, Chief Researcher
Nichole Shimamoto, Commission Counsel
Diane Tokunaga-Ide, Commission Researcher

Michael H. Lau, Esq.
Craig I. Nakanishi, Esq.
Bruce Nakamura, Esq.
Kelly G. LaPorte, Esq.
March 2, 2006
Page 3

DBEDT:

Maurice Kaya, Administrator, Energy, Resources, and Technology Division
Dr. John Tantlinger, Manager, Energy Planning & Policy Branch
Carilyn Shon, Energy Conservation Program Manager
Maria Tome, Alternate Energy Engineer

Division of Consumer Advocacy ("Consumer Advocate"):

John Cole, Executive Director

ICF Consulting (participating by telephone):

Thomas O'Connor, Chief Consultant
Vineet Aggarwal, Consultant

However, please be advised that one or more of the above-listed individuals may not be in attendance. In particular, because the Legislature is currently in session, one or more individuals (including the Commissioners, Administrator Kaya, and Dr. Tantlinger) may be called away on short notice to testify.

The Parties may provide any information that they wish in order to explain and/or provide a context for their written submissions pursuant to PUC-IR-42 through PUC-IR-50, or regarding ethanol blending in general. The Parties, however, will not be permitted to seek information or responses from the Commission, DBEDT, the Consumer Advocate, or ICF Consulting.

In addition, in accordance with the Parties' request, no court reporter will be present to transcribe the presentations. Therefore, there will be no citable record as a result of these presentations. Accordingly, the Commission will only make decisions (e.g., whether the gasoline price cap should be adjusted to reflect the ethanol mandate) based upon the written submissions of the Parties. Any Party wishing to have data or information considered by the Commission in decision-making must provide that data or information in writing.

It is the Commission's understanding that the Parties will be providing a Protective Order to protect any and all confidential data and information disclosed during these presentations.

Michael H. Lau, Esq.
Craig I. Nakanishi, Esq.
Bruce Nakamura, Esq.
Kelly G. LaPorte, Esq.
March 2, 2006
Page 4

Finally, HAR § 6-61-29, *Ex parte communications*, prohibits ex parte communications in a contested case proceeding. In the Hawaii Supreme Court's recent decision in Shell Oil Company vs. Public Utilities Commission of the State of Hawaii, et al., S.C. No. 27496 (Jan. 23, 2006), the Hawaii Supreme Court ruled that Docket No. 05-0002 is not a contested case. Therefore, the presentations would not be ex parte communications under the Commission's administrative rules. Nonetheless, it is the Commission's understanding that, in an abundance of caution, each of the Parties will be executing a letter waiving any and all argument that these presentations constitute prohibited ex parte communications.

If you have any questions or concerns, please contact Nichole K. Shimamoto at 586-2020.

Sincerely,



Carlito P. Caliboso
Chairman

CPC:NKS:ac

c: Director Theodore E. Liu, DBEDT
Commissioner Maurice H. Kaya, SPC
John E. Cole, Executive Director, Division of Consumer Advocacy